

**CITY OF MERCER ISLAND
RESOLUTION NO. 1630**

**A RESOLUTION OF THE CITY OF MERCER ISLAND, WASHINGTON
AUTHORIZING APPLICATIONS TO THE STATE PUBLIC WORKS BOARD
LOW-INTEREST LOAN PROGRAM FOR THE CONSTRUCTION OF THE
BOOSTER CHLORINATION STATION AND WATER RESERVOIR
IMPROVEMENTS.**

WHEREAS, this is a resolution that authorizes submitting low-interest loans application(s) for construction of the Booster Chlorination Station and the Water Reservoir Improvements capital projects as adopted in the 2021-2026 Capital Improvement Program; and

WHEREAS, the current utility rate model adopted by the City Council in the 2021-2022 biennial budget assumed outside funding to offset the more than \$33.1 million in escalated capital spending required in the Island's water utility system between 2021-2026; and

WHEREAS, the City of Mercer Island seeks to secure the best possible interest rates for long-term capital funding that is cost effective, provides flexibility, preserves financial stability, and maintains the City's bond credit rating; and

WHEREAS, the City of Mercer Island considers it in the best public interest to complete the project described in the application;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, AS FOLLOWS:

1. The City Manager is authorized to make formal Construction applications to the Public Works Board for low-interest loans;
2. Any loan proceeds received will be used for direct costs associated with constructing infrastructure for the corresponding project(s);
3. The City of Mercer Island acknowledges the construction-loan applications meet all of the threshold requirements and recognizes a loan arising from the application(s) constitutes a debt to be repaid.
4. We acknowledge that the low-interest loan, if awarded, will be spent within one to three years of receipt of funds and repaid at the qualifying rate within a twenty-year period, if not before.
5. We acknowledge the projects for which City seeks construction loans are shovel-ready to be constructed, include a well-defined scope of work and verified budget estimates with strong community support for improvements that add to the community's water system without being cost prohibitive and leave the environment either the same or better than before the project; and
6. This resolution becomes part of the formal application(s) to the Public Works Board low-interest construction loan program for the current application cycle closing September 9, 2022.

THIS RESOLUTION WAS ADOPTED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, AT ITS MEETING ON THE 6TH DAY OF SEPTMEBER, 2022.

CITY OF MERCER ISLAND

Salim Nice, Mayor

ATTEST:

Andrea Larson, City Clerk